

~~CONFIDENTIAL~~

718

# GENERAL

1. French move toward implementing London agreements--The UK Foreign Office has informed US Ambassador Douglas of its receipt of a note from the French Government which: (a) accepts the London recommendations on Germany; (b) calls attention to the reservations attached by the French Assembly; and (c) declares that France will continue to press for solutions to German problems in accordance with the views expressed by the French Assembly. The French Ambassador in London has told the UK Foreign Office that the Assembly's reservations do not impede the immediate application of the London agreements. Douglas reports that the Foreign Office has also received a French communication which suggests that further discussions be held as soon as possible on making more precise the security principles of the London agreements. The communication states that the French Government regards international ownership of the Ruhr mines and basic industries as the best solution to the Ruhr problem.

(CIA Comment: CIA believes that if the French remain adamant on international ownership of the Ruhr mines and industries, German cooperation in a provisional western German government will be further reduced and industrial production in western Germany will be adversely affected with serious consequences to the European recovery program.)

## EUROPE

2. FRANCE: Discord on French strategic plan--The US Military Attache in Paris has learned from General Revers (French Chief of Staff) that Premier Schuman recently issued a military directive ordering that the French national strategic concept be oriented toward a defense of North Africa rather than a defense of the Rhine and the area east of the Rhine. According to the MA, this decision has created consternation in French military circles, and top French Army and Navy leaders are threatening to resign if Schuman insists on implementing the directive. The MA reports that Schuman is expected to reverse his decision.

Document No. 840

State Dept., DIA reviews completed

NO CHANGE in Class. ☐

- 1 -

☐ DECLASSIFIED

~~CONFIDENTIAL~~ Class. CHANGED TO: TS S C

DDA Memo, 4 Apr 77

Auth: DDA REG. 77/1763

~~CONFIDENTIAL~~  
~~TOP SECRET~~

3. **GERMANY: Raw materials in French Zone dangerously short**--US Commanding General Clay expresses the emphatic view that the French Zone in Germany is dangerously lacking in raw materials with which to provide employment during the initial period of currency reform and that German social unrest is certain to develop, which "will have adverse political effects in all of western Germany and hence on European recovery." Clay believes that the French occupation policy has so exhausted the economy of the Zone that little remains to tide the inhabitants over the difficult initial period of the currency reform. Clay urges, therefore, that every effort be made to get materials quickly into the French Zone under the European recovery program.

(CIA Comment: CIA believes that even if the immediate crisis is resolved, the French Zone will continue to be a burden upon the US, a source of trouble in western Germany, and an excuse for further French demands as a consequence of western German fusion.)

4. **AUSTRIA: Implications of Marek arrest**--US Legation Vienna believes that the Soviet arrest of Marek, high official of the Austrian police, may be the opening of a major Soviet attack against the Austrian Ministry of Interior, possibly for the purpose of crippling the Ministry and terrorizing the Government. The Legation reports that Marek was a key official who was charged with special investigations of Communists in the Austrian police, Soviet factory guards in oil installations, and Communist subversive activities; that he dealt in military and political intelligence from Satellite countries, but that he could in no way be considered an agent of a western power. The Legation believes that the possible implications of Marek's arrest are so serious that the Austrian Government should be given fullest support and that the Austrian protest should be pressed in the Allied Council.

(CIA Comment: CIA concurs in the view that the Soviet move has serious implications. CIA believes that this Soviet move is directed not only toward halting the purge of Communists

- 2 -

~~CONFIDENTIAL~~  
~~TOP SECRET~~

~~CONFIDENTIAL~~  
~~TOP SECRET~~

from the federal police and weakening the Interior Ministry but is calculated to impress upon the Austrians the capabilities of the Soviet occupation authorities and thereby cut short the current barrage of Austrian protest notes and anti-Soviet speeches and articles.)

- 3 -

~~CONFIDENTIAL~~  
~~TOP SECRET~~